



# **40mm Industry Day II Opening Remarks**

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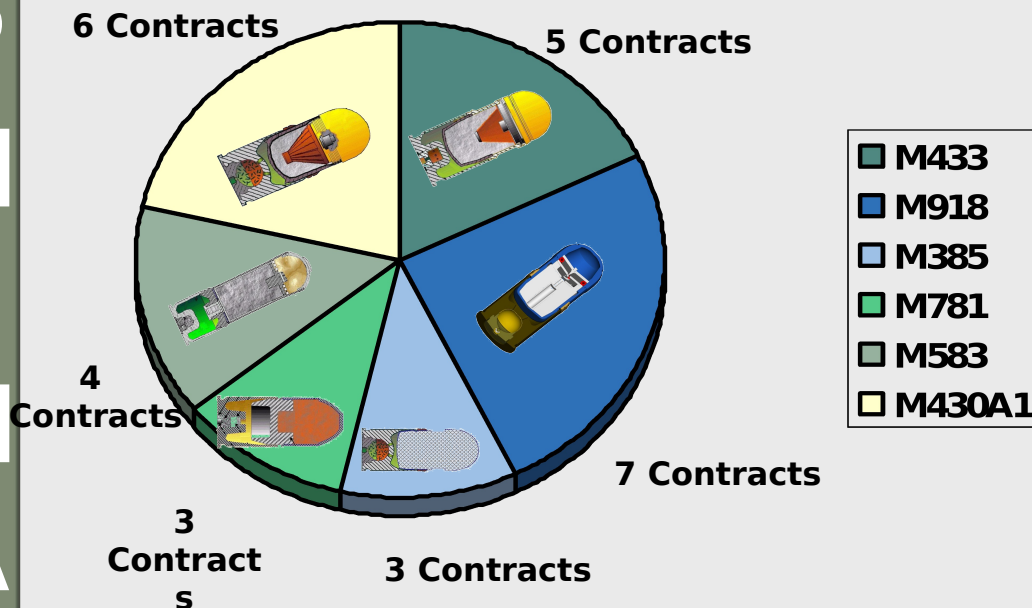
**28 Jan 2004**

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# Current 40mm Program Status



- **Large Number of Short Term Contracts Awarded each Year Complicates Efforts**
  - **Poor Track Record Obligating Funds Resulted in \$36M Being Rescinded by Congress**
  - **No Long Term Stability of Industrial Base Except GOCOs**



- ✓ **Component Breakout Strategy does not Utilize Industrial Base Synergy to Economize on Design and Logistical Issues**
- ✓ **Large GFM Management Effort**

**Change is Not Optional - It is a Requirement**

# Out Year Requirements (Qty) (ICAP)



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	<b>FY05</b>	<b>FY06</b>	<b>FY07</b>	<b>FY08</b>	<b>FY09</b>
<b>M781</b>	5.4M (475K mo)	1.7M (142K mo)	1.7M (142K mo)	1.8M (150K mo)	1.8M (150K mo)
<b>M583</b>	167M (13.9K mo)	90K (7.5K mo)	128K (10.7k mo)	139K (11.6K mo)	144K (12K mo)
<b>M430</b>	890M (74.2k mo)	1.2M (100K mo)	915K (76.25k mo)	1.0M (100K mo)	1.3M (116.7K mo)
<b>M918</b>	4.2M (358.3K mo)	2.5M (208.3K mo)	3.1M (258.3K mo)	3.0M (250K mo)	3.2M (266.7K mo)
<b>M433</b>	92K (7.7K mo)	153K (12.75K mo)	120K (10K mo)	141K (11.8K mo)	103K (8.6K mo)

**Caution: Use These Projections With Extreme Care**

# Acquisition Strategy



- **Group All 6 items into a Systems Buy**
- **Restrict Buy to Small Business**
- **Encourage Small Business Base to Joint Venture or Other Compatible Arrangement**
  - Award to 2-3 Teams
- **Award Long Term Contracts**
  - Base Year Plus 4 One Year Options
- **Protect the 8a Base**
  - Group 8a Component Buys (M918 and M385 Projectiles)
  - Award 2-3 Contracts that Mirror System Buys
  - Encourage 8a Firms to Participate with Joint Ventures

**This Acquisition Plan Has Been Approved**

# Potential Selection Factors



- **Ability to System Contract**
- **Depth and Breadth of Teaming Arrangement**
- **Capability of Vendor Base**
- **Past Performance**
- **Cost**

**Key: Solid Team and Ability to System Contract**



# Post Award



- **Expect Heightened Govt Oversight**
- **Desire to Partner with Teams**
- **Working with DCMC on Participation**

**Strong Desire for Teams to Succeed**

# Desired Outcomes



## ➤ Desired Outcomes

- **Keep 40mm Within Small Business Community**
- **Promote Economies of Scale and Synergy of a Group Buy**
- **Promote a System View by Vendors of Ammunition**
- **Allow Quick Turnaround for Additional Quantities**
- **Provide Long Term Stability and Reduce Govt Admin and Contractor B&P Costs**
- **Better Able to Aggressively Pursue Value Engineering Efforts and Design Improvements**
- **Meet DOD Needs for Ammunition**

**Substantial Opportunity for Small Business Base**

# Near Term Plans



- **Gather Industry Input**
- **Work With Small Business Offices on Details**
- **Draft Solicitation and Source Selection Documentation**
- **Continue 3-D TDPs Conversion**
- **Initiate Preproposal Conference: May 04**

**Govt Will Keep Industry Informed of Any General Change in Strategy**



# Summary



- **The Govt Believes That This Acquisition Strategy Represents a Great Opportunity for Industry**
- **We Need Your Thoughts, Your Concerns and Your Help to Make This a Reality**
- **The Govt Is Committed to Make This Work and Provide Assistance to Ensure All Goals Are Accomplished**